



United States
Environmental Protection
Agency

Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604

Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

Environmental NEWS RELEASE



CONTACT: (EPA) Mick Hans, (312) 353-5050
(DOJ) Dana Perino, (202) 616-2777

US EPA RECORDS CENTER REGION 5



442746

FOR IMMEDIATE RELEASE

No. 02-OPA088

JOINT FEDERAL/STATE SETTLEMENT WITH BANKRUPT OUTBOARD MARINE CORP. REQUIRES INTERIM CLEANUP

CHICAGO (July 25, 2002) — An agreement has been reached between the bankrupt Outboard Marine Corporation and several federal and state agencies in a dispute involving OMC's request to abandon certain of its remaining Waukegan, Ill., lakefront properties, some of which are part of the OMC/Waukegan Harbor Superfund Site. The agreement involves U.S. Environmental Protection Agency Region 5, U.S. Department of Justice, Illinois EPA, and the Illinois Attorney General.

The United States and the state of Illinois opposed the OMC estate's proposal to abandon the property because it could expose the public to environmental hazards unless certain preventive measures were taken. The agreement requires the estate to perform specific cleanup activities under EPA oversight before it can abandon the properties. The agreement was entered July 19 before the Federal

- more -

Bankruptcy Court for the Northern District of Illinois.

OMC declared bankruptcy in December 2000 and is in the process of liquidating. During bankruptcy proceedings, the OMC estate's trustee asked the court to allow abandonment of certain of its Waukegan lakefront properties as a cost-saving measure. EPA, Illinois EPA and the Illinois Attorney General were opposed to this. Under this settlement, OMC's trustee will perform an initial cleanup on the OMC property known as Plant #2, now undergoing final shutdown. This work will involve removal and disposal of PCB-containing oil in transformers, contamination in sewers and on machinery, and hazardous waste liquids and solids in drums and other containers. This work must be completed by November 15, 2002.

In the settlement, the trustee also agrees to pay EPA \$240,000 from the OMC estate. These funds will be used by EPA for certain cleanup activities in the properties proposed for abandonment.

Additionally, the agreement provides that the trustee will not seek reimbursement of a legally mandated \$280,000 cleanup fund and that such funds will be dedicated to cleanup of certain regulated units at the OMC property.

Also under the settlement, the government retains its right to pursue in federal court additional cleanup to address other environmental conditions at the Plant #2 property. To this end, the two agencies filed a revised legal complaint on July 16 that sets forth requests for additional environmental cleanup at Plant #2 and the Harbor Superfund site.

- more -

“This settlement represents an important step toward making these areas environmentally safe,” said Regional Superfund director William Muno.

“Ultimately, the community is getting additional cleanup effort in the context of a bankruptcy proceeding after difficult and contentious litigation among the OMC trustee and EPA and Illinois EPA.”

“This joint settlement with our federal colleagues ensures that OMC will not just walk away from its obligation to address environmental hazards on its property and should reassure the public that the cleanup process begins now,” said Illinois Attorney General Jim Ryan.

Other cleanup activities in the area

EPA and Illinois EPA cleanup activity at the OMC/Waukegan Harbor Superfund Site (primarily contaminated with PCB's) and the nearby Johns Manville Site (primarily involving asbestos-containing materials) began in the early 1980s. Key milestones include a multimillion dollar Waukegan Harbor PCB-sediment dredging project completed by OMC in 1992, and completion of a landfill cap on the Johns Manville site in 1996. Cleanup design for the Waukegan Coke Plant portion of the site (which is being sold to the City of Waukegan) began in 2001. OMC Plant #1 was previously sold to another company. Sampling and excavation of asbestos-contaminated soil and debris near a lakefront fishing pier is also under way.

#